

DEPARTMENT OF ENERGY
FY 1998 CONGRESSIONAL BUDGET REQUEST
ENERGY SUPPLY, RESEARCH AND DEVELOPMENT
(Tabular dollars in thousands, Narrative in whole dollars)
MULTI-PURPOSE OPERATIONS

EXECUTIVE BUDGET SUMMARY

Mission:

The Field Operations account consists of four Multi-Purpose Operations Offices (Chicago, Idaho, Oak Ridge and Oakland). The Operations Offices provide centralized administrative and managerial support to programmatic activities at 20 locations nationwide.

Functions:

Field Operations performs a broad range of functions in support of Defense Programs, Energy Efficiency and Renewable Energy, Energy Research, Environmental Management, Fossil Energy, Nuclear Energy, Nonproliferation and National Security, and Work for Others. The budget funds administrative assistance, contract and procurement management, engineering, environment safety and health monitoring, financial management, physical science, legal services, program analyses, personnel and other services enabling the accomplishment of the programs' direct missions and goals. To fulfill DOE's science & technology, national security, energy research, and environmental programmatic objectives, the Operations Offices are on-site agents for the conduct of technical and business functions (contract, financial, and human resources) involving the Department's mission at its industrial and research facilities nationwide.

Laboratories and Facilities:

The Multi-Purpose Operations Offices are Chicago (CH), Idaho (ID), Oak Ridge (OR), and Oakland (OK). They are responsible for the following laboratories and facilities: (See Figure 1.)

Multi-program: Argonne National Laboratory (CH), Brookhaven National Laboratory (CH), Idaho National Engineering Laboratory (ID), Oak Ridge National Laboratory (OR), Ernest Orlando Lawrence Laboratory (OK), and Lawrence Livermore National Laboratory (OK).

Single purpose: Ames Laboratory (CH), Fermi National Accelerator Laboratory (CH), Princeton Plasma Physics Laboratory (CH), Continuous Electron Beam Accelerator Facility (OR), K-25 Plant (OR), Paducah Gaseous Diffusion Plant (OR), Portsmouth Gaseous Diffusion Plant (OR), Y-12 Plant (OR), Weldon Spring Site Remedial Action Project (OR), Energy Technology Engineering Center (OK), and Stanford Linear Accelerator Center (OK).

Government-owned government-operated laboratories: Environmental Measurements Laboratory (CH), New Brunswick Laboratory (CH), and Oak Ridge Institute of Science and Education (OR).

Oversee Departmental research: Bates Linear Accelerator Center at the Massachusetts Institute of Technology (CH), Michigan State University's Plant Research Laboratory (CH), Laboratory of Radiobiology and Environmental Health at the University of San Francisco (OK), Laboratory of Laser Energies at the University of Rochester (OK), Naval Research Laboratory (OK), and the Notre Dame Radiation Laboratory (CH).

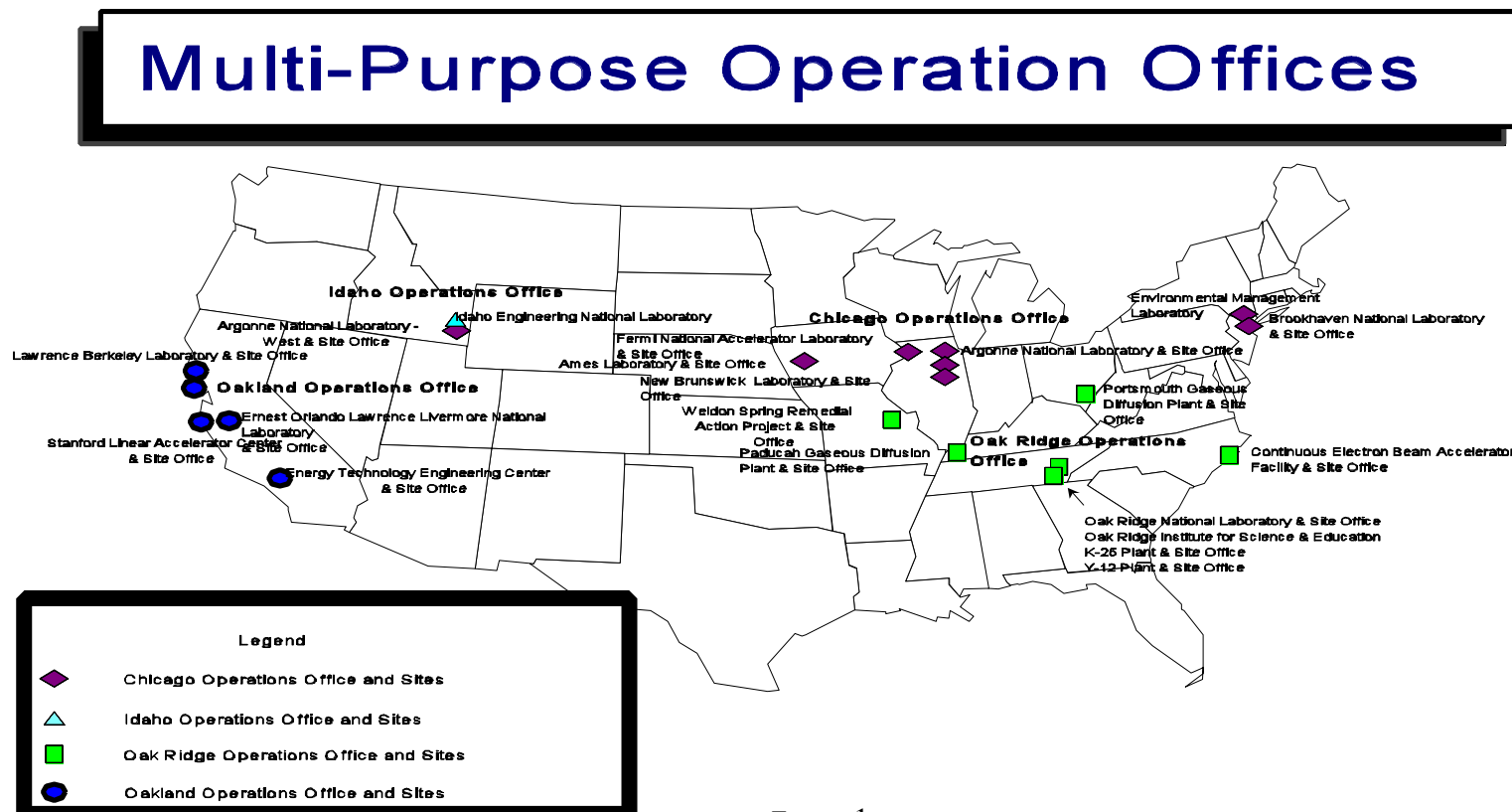


Figure 1

Resources:

Field Operations has responsibilities for:

- A. An annual budget exceeding \$5 billion (See Figure 2);
- B. Contract administration for 14 prime operating contracts with 40,000 employees and numerous university grants; and
- C. Twenty laboratories and facilities in eleven states with an estimated asset replacement value of \$29 billion.

Objectives:

The key objectives of Field Operations are to provide:

- 1. Centralized resource management of the Department's multi-purpose activities; and
- 2. Comprehensive technical and business expertise in contract formulation and execution on 30% of the Department's prime operating contracts.

Major Accomplishments FY 1996 through FY 1997:

- ▶ Downsized 15% of Field Operations positions and reduced travel expenditures by 22% from FY 1995 levels through the Department's Strategic Alignment Initiative.
- ▶ Implemented eleven performance-based contracts and established negotiation baselines for future reporting.
- ▶ Consolidated the financial databases and payment process at eight satellite offices. This created the Financial Center of Excellence at the Oak Ridge Operations Office saving an estimated \$1.7M.
- ▶ Established two Centers of Excellence for Grants Program at Chicago and Oakland.
- ▶ Administered contractor operations at all sites allowing the national laboratories to make significant contributions to science and technology.
- ▶ Completed the modernization of a central Business Management Information System for the Idaho Operations Office. The system will expand Idaho's competitiveness in the commercial sector and to ensure the efficiency of complex operations in environmental restoration.
- ▶ Advanced the distribution and utilization of scientific and technical information for industry, state and local governments, educational institutions, and small and disadvantaged businesses through the laboratories overseen by the Oakland Operations Office.
- ▶ Completed the close out of the Superconducting Super Collider in December 1996.

Program Resources

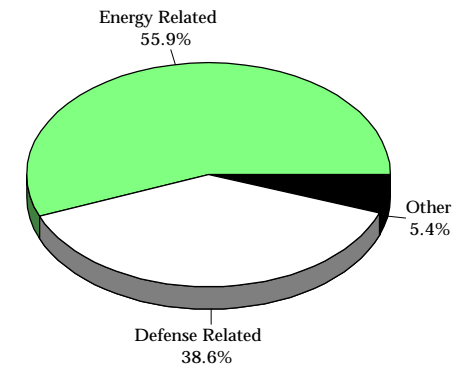


Figure 2

Out Years:

- ▶ Develop a five-year resource-based performance plan that ties to programmatic requirements.
- ▶ Improve the cost effectiveness of the multi-purpose sites and facilities through the implementation of long-term planning and systems development.
- ▶ Reduce Federal positions by 22% from the FY 1995 levels, and reduce contractual support and travel expenditures by the end of FY 2000 through the Strategic Alignment Initiative.

Major Changes:

Strategic Alignment Initiative (SAI):

Employment:

Field Operations will have eliminated 173 positions of the 257 scheduled to be abolished by the end of FY 2000 (See Figure 3). This downsizing was accomplished with the use of buyouts and attrition in FY 1996 and FY 1997. In the out years, downsizing will continue by attrition. This is the equivalent of 716 FTE's, with a total cost avoidance of \$43.7M through FY 2000.

Travel:

The Field Operations' FY 1998 request reduces travel by \$405,000, 22% below FY 1995 expenditures.

Support Service Contracts:

Field Operations' support service FY 1998 request is \$718,000 less than the FY 1996 level, 12%, in accordance with the SAI goal of reducing nontechnical support service contractors.

Number of Positions Downsized

End of Year Onboard

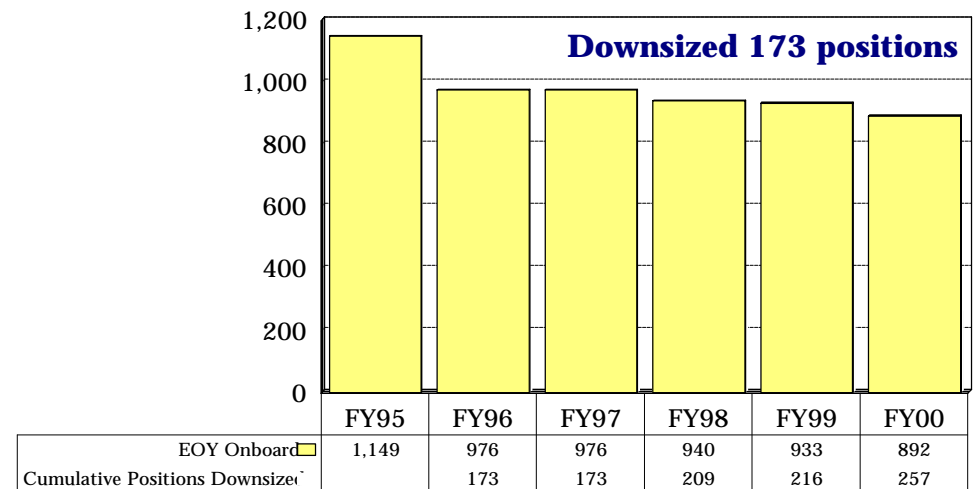


Figure 3

Field Site Funding and Federal Staffing Targets:

FY 1998 Budget Request: The FY 1998 Budget Request of \$100,233,000, (Figure 4), is a 1.8% increase over the FY 1997 level. The increase offsets a 3% pay raise, inflationary increases associated with fixed costs and the implementation of automated systems. Field Operations has reduced 338 Full-Time Equivalents (FTEs) since FY 1995 with a cost avoidance of \$20.6M. The majority of this account's budget is comprised of manpower and fixed operation costs (81.9%) that are not adjustable in the short term (See Figure 5). These fixed costs are associated with rent, utilities, management information systems maintenance, and operations support (including mail and security services) and cannot be reduced in the short term.

FY 1998 Budget Request
By Office

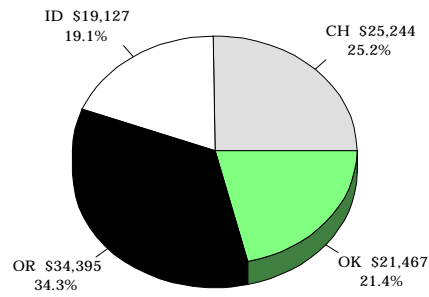


Figure 4

FY 1998 Budget Request
By Category

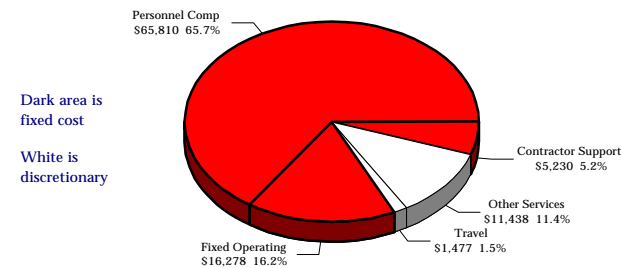


Figure 5

FY 1998 FTE Request: The FY 1998 FTE request of 958 is 18 FTEs less than the FY 1997 authorized level, 976, according to the Department's Strategic Alignment Initiative (See Figure 6). Field Operations has downsized 173 positions of the 257 committed to be downsized by the end of FY 2000 (See Figure 7).

FY 1998 FTE's
By Office

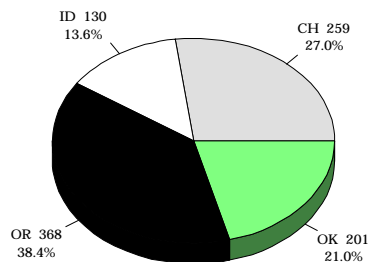


Figure 6

FTE
Field
request is
1995
Figure 8)

Reductions:
Operations FY
155 (14%)
actual level,

Positions Downsized
By the End of FY 2000

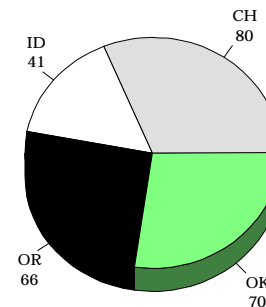


Figure 7

1998 FTE
less than the FY
1113. (See

Other Related Expenses:

Other expenses encompass operational costs, their related activities, and technical and support service contractor support.

The FY 1998 budget reduces Field Operations' other related expenses by \$7,994,000 (22%) since FY 1995 (See Figure 10). The reduction in other related expenses is a reflection of the downturn in federal positions, the decrease in new start programs and the overall increased out source competition for services.

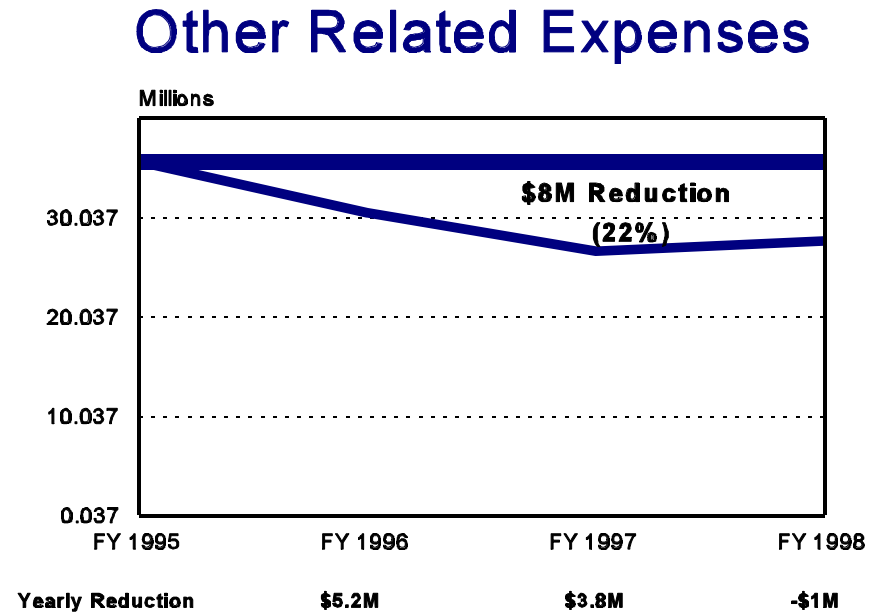


Figure 10

Other Related Expenses Funding Relationship:

Other related expenses varies depending upon the conduct of operations at the individual field sites. As an example, Idaho and Oakland lease office space from General Services Administration (GSA). At Oakland, each program contributes to the rental expenses. Idaho covers all of the rental expenses at their site. Figure 11 identifies the shared funding responsibility by office.

Other Related Expenses Funding Relationship

	Chicago OW	Idaho OW	Oak Ridge Both	Oakland Both	Field Mgt OW
Capital Equipment					
Rent	Both	OW	Both	Both	OW
Utilities	Both	OW	OW	Both	OW
MIS	OW	OW	OW	OW	OW
Communication	Both	OW	Both	OW	OW
Support Service Contractors	Both	PRG	Both	Both	OW
Technical Contractors	PRG	Both	Both	Both	OW
Other Cost	Both	Both	Both	Both	OW

Key:
OW: Field Operations funds office/Departments requirements.
PRG: Program office funds office/ requirements.
Both: Field Operations and program office share funding responsiblity.

Figure 11

FIELD OPERATIONS
PROGRAM FUNDING PROFILE
(DOLLARS IN THOUSANDS)

	FY 1996 Enacted Appropriation	FY 1997 Appropriation	FY 1998 Budget Request
Sub-program			
Field Operations	\$100,819	\$98,400	\$100,233
Subtotal, Field Operations	\$100,819	\$98,400	\$100,233
Adjustments			
TOTAL, Field Operations	\$100,819	\$98,400	\$100,233

PROGRAM FUNDING BY SITE

	FY 1996 Enacted Appropriation	FY 1997 Appropriation	FY 1998 Budget Request
Sub-Program			
Chicago Operations Office	\$26,110	\$24,988	\$25,244
Idaho Operations Office	\$20,006	\$18,620	\$19,127
Oak Ridge Operations Office	\$33,530	\$33,606	\$34,395
Oakland Operations Office	\$21,173	\$21,186	\$21,467
Subtotal, Program Direction	\$100,819	\$98,400	\$100,233
Adjustments	0	0	0
TOTAL, Program Direction	\$100,819	\$98,400	\$100,233

Mission:

The Field Operations is a technical and business management team whose purpose is to advance the Department of Energy's mission and core values through managerial and administrative support of programs, projects, facilities, and contracts.

Funding Schedule:

Activity	FY 1996	FY 1997	FY 1998	\$ Change	% Change
Chicago Operations Office	\$26,110	\$24,988	\$25,244	\$256	1.02
Idaho Operations Office	20,006	18,620	19,127	507	2.72
Oak Ridge Operations Office	33,530	33,606	34,395	789	2.35
Oakland Operations Office	21,173	21,186	21,467	281	1.33
TOTAL	\$100,819	\$ 98,400	\$100,233	\$1,833	1.86

In conformance with the Department's Strategic Plan, the GOALS of Field Operations are:

1. GOAL 1 [G1]
PROGRAMMATIC SUPPORT: Provide infrastructure support to accomplish programmatic missions and objectives.
2. GOAL 2 [G2]
HUMAN RESOURCES: Align human resources with programmatic missions while ensuring a diverse workforce.
3. GOAL 3 [G3]
MANAGEMENT PRACTICES: Ensure management practices are driven by, and supportive of, programmatic mission needs.

The OBJECTIVES related to:

PROGRAMMATIC SUPPORT ARE:

1. MANAGEMENT IMPROVEMENT: Re-engineer and integrate systems and processes to advance a labor efficient and cost-effective organization. [G1-01]
2. INFRASTRUCTURE REQUIREMENTS: Provide the required expertise and functions necessary for the programmatic activities to meet their objectives. [G1-02]

HUMAN RESOURCES ARE:

1. STREAMLINE MANAGEMENT STRUCTURE: Reduce management layers and encourage employee empowerment. [G2-01]
2. IMPROVE WORK FORCE CAPABILITY: Cross train workforce to ensure proper skill mix and continuity of operations and mission accomplishments. [G2-02]

MANAGEMENT PRACTICES ARE:

1. ALIGN FIELD OPERATIONS TO SAVE MONEY AND ENHANCE PERFORMANCE: Implement resource reductions through the Strategic Alignment Initiative. [G3-01]
2. IMPROVE CONTRACTOR PERFORMANCE AND ACCOUNTABILITY: Establish performance criteria and measurements mechanisms with all contractors. [G3-02]
3. REDUCE THE OVERSIGHT BURDEN: Reduce the number of oversight reviews to improve efficiency. [G3-03]
4. IMPLEMENT INNOVATIVE MANAGEMENT TECHNIQUES: Advance the Department's programmatic missions through the application of management techniques and the implementation of customer focused teams. [G3-04]

PERFORMANCE MEASURES:

PROGRAMMATIC SUPPORT:

- ▶ Establish the Financial Center of Excellence at the Oak Ridge Operations Office by consolidating accounting functions from eight satellite offices by the end of FY 1998. [G1-O1-PM1]
- ▶ Improve information management capabilities and begin integration of systems to further the development of corporate information systems at 50% of the offices. [G1-O2-PM1]

HUMAN RESOURCES:

- ▶ Increase the aggregate employee-to-supervisor ratio to 14:1 by the end of FY 1998. [G2-O1-PM1]
- ▶ Implement a “360 Degree” performance review process for all employees by the end of FY 1999. [G2-O1-PM2]
- ▶ Implement long range skill and training plans that reflect changing workforce and facility requirements. [G2-O2-PM1]

MANAGEMENT PRACTICES:

- ▶ Achieve a reduction in travel expenditures of 22% over FY 1995. (\$1,882,000). [G3-O1-PM1]
- ▶ Downsize 209 positions by the end of FY 1998 from FY 1995 levels. [G3-O1-PM2]
- ▶ Effect 70% of small purchases through the automated small purchase system at Chicago and Oak Ridge. [G3-O2-PM1]
- ▶ Improve information access to the Department’s program management requirements and practices by the end of FY 1999. [G3-O3-PM2]
- ▶ Train 80% of Field Operations federal staff in Total Quality Management and work 30% of the major functions in a team environment. [G3-O4-PM1]

ACCOMPLISHMENTS

FY 1996 Accomplishments:

- ▶ Initiated the migration of accounting data at eight satellite offices to Oak Ridge, establishing the Financial Service Center. [G1-O1-PM1-A96-1]
- ▶ Increased the aggregate employee-to-supervisor ratio to 11:1 by consolidating offices and layering organizational structure. [G2-O1-PM1-A96-1]
- ▶ Implemented a “360 Degree” performance review process for all SES employees. [G2-O1-PM2-A96-1]
- ▶ Reduced travel by \$144,000 (7%) from FY 1995 level (\$1,882,000). [G3-O1-PM1-A96-1]
- ▶ Exceeded the Strategic Alignment Initiative goal, 1065, by downsizing 173 positions, an overage of 89. [G3-O1-PM1-A96-2]

- ▶ Implemented five performance-based contracts in FY 1996. [G1-O2-PM1-A96-1]
- ▶ Improved the business management review process for field activities, reducing the number of oversight reviews by 80% and associated costs by \$10 million. [G3-O4-PM1-A96-1]

FY 1997 Planned Accomplishments:

- ▶ Consolidate payment activity and transfer the function from the eight satellite offices to the Oak Ridge Financial Service Center. [G1-O1-PM1-A97-1]
- ▶ Provide public access and use of the K-25 site through the leasing of unneeded facilities and land. [G1-O2-PM1-A97-1]
- ▶ Increase the aggregate employee-to-supervisor ratio to 13:1 by consolidating offices and layering of the organizational structure. [G2-O1-PM1-A97-1]
- ▶ Implement a “360 Degree” performance review process for all non-SES supervisors and managers. [G2-O1-PM2-A97-1]
- ▶ Reduce travel by \$286,000 (16%) from FY 1996 levels (\$1,738,000). [G3-O1-PM1-A97-1]

FY 1998 Planned Accomplishments:

- ▶ Consolidate accounting databases of the eight satellite offices at the Oak Ridge Financial Service Center, achieving full implementation of the Financial Service Center. [G1-O1-PM1-A98-1]
- ▶ Begin integration of systems to further develop corporate information systems at 25% of the offices. [G1-O2-PM1-A98-1]
- ▶ Transmit 90% of all payments via Electronic Funds Transfer at Oak Ridge. [G1-O2-PM1-A98-2]
- ▶ Implement a paper less travel process using Travel Manager, an automated travel document processing system at Oak Ridge. [G1-O1-PM1-A98-3]
- ▶ Increase the aggregate employee-to-supervisor ratio to 14:1 by consolidating offices and layering organizational structure. [G2-O1-PM1-A98-1]
- ▶ Implement a “360 Degree” performance review process for all GS employees at 2 offices. [G2-O1-PM2-A98-1]
- ▶ Downsize 36 positions from the FY 1996 level to the FY 1998 target. [G3-O1-PM1-A97-2]
- ▶ Implement an automated small purchase system at Chicago and Oak Ridge. [G3-O2-PM1-A98-1]
- ▶ Reduce the number of on-site reviews required due to deficient Laboratory self-assessments by incorporating key performance measures in contract modifications. [G3-O2-PM1-A98-2]
- ▶ Complete training 50% of Operations Office’s acquisition and program management personnel on information model use. [G3-O3-PM2-A98-1]
- ▶ Reduce uncosted balances within a reasonable range between 5-10 percent of budget authority. [G3-O4-PM1-A98-1]
- ▶ Return 50% of excess lands identified by the Inspector General for public use. [G3-O4-PM1-A98-2]

Explanation of Funding Changes FY 1997 to FY 1998:

The net change for all programs is an increase of \$1,833,000.

Major Issues:

Field Operations does not have any significant issues or sensitivities at this time.

DEPARTMENT OF ENERGY
FY 1998 OMB BUDGET REQUEST
ENERGY SUPPLY, RESEARCH AND DEVELOPMENT

FIELD OPERATIONS PROGRAM DIRECTION

I. Mission Supporting Goals/Ongoing Responsibilities:

The Field Operations account consists of four Multi-Purpose Operations Offices (Chicago, Idaho, Oak Ridge and Oakland). The Operations Offices provide centralized administrative and managerial support to programmatic activities at 20 locations nationwide.

Program Direction has been grouped into four categories:

Salaries and Benefits provides funds for institutional management and/or matrix support of the programmatic mission and support of all programs under the purview of the four field offices: resource management, infrastructure requirements, and project and facilities management:

- ▶ Included are salary and benefits for full-time and temporary employees, the Department's contribution for FICA, unemployment and workmen's compensation, health benefits, thrift savings plan, awards, overtime, permanent change in station moving expenses, and payments to employees for Voluntary Separation and their leave balances in FY 1997 and FY 1998.
- ▶ Travel funds provide the field offices the opportunity to participate on task teams, work various issues and formulate policy at headquarters, and conduct compliance reviews and contractor oversight to ensure implementation of DOE orders and regulatory requirements at the facilities under their purview. Provides for attendance at conferences and training classes, and permanent change of station relocation.
- ▶ Support Services provides funds for centralized and administrative support of the Operations Offices included in this account.
- ▶ Other Related Expenses provide funds for rent; utilities; telecommunication; postage; printing; reproduction; building operations; logistical services; automated data processing development and acquisition; employee development and training; health services; shipment and storage household goods; supplies; furniture, vehicle, and office equipment maintenance; and capital equipment.

	FY 1996 Enacted <u>Appropriation</u>	FY 1997 <u>Appropriation</u>	FY 1998 Budget <u>Request</u>
<u>Chicago</u>			
Salary & Benefits	\$18,504	\$18,176	\$17,873
Travel	\$660	\$460	\$460
Support Services	\$2,322	\$1,800	\$2,000
Other Related Expenses	\$4,624	\$4,552	\$4,911
Total	\$26,110	\$24,988	\$25,244
Full Time Equivalents	296	267	259
<u>Idaho</u>			
Salary & Benefits	\$8,631	\$8,710	\$8,901
Travel	\$376	\$390	\$375
Support Services	\$550	\$720	\$730
Other Related Expenses	\$10,449	\$8,800	\$9,121
Total	\$20,006	\$18,620	\$19,127
Full Time Equivalents	153	130	130
<u>Oak Ridge</u>			
Salary & Benefits	\$22,156	\$23,824	\$24,589
Travel	\$342	\$342	\$342
Support Services	\$2,700	\$2,500	\$2,500
Other Related Expenses	\$8,332	\$6,940	\$6,964
Total	\$33,530	\$33,606	\$34,395
Full Time Equivalents	388	373	368
<u>Oakland</u>			
Salary & Benefits	\$13,689	\$14,560	\$14,447
Travel	\$360	\$260	\$300
Support Services	\$0	\$0	\$0
Other Related Expenses	\$7,124	\$6,366	\$6,720
Total	\$21,173	\$21,186	\$21,467
Full Time Equivalents	233	206	201
<u>Other Related Expenses:</u>			
<u>Total, Field Operations</u>			
Salary & Benefits	\$62,980	\$65,270	\$65,810
Travel	\$1,738	\$1,452	\$1,477
Support Services	\$5,572	\$5,020	\$5,230
Other Related Expenses	\$30,529	\$26,658	\$27,716
Total	\$100,819	\$98,400	\$100,233
Full Time Equivalents	1,070	976	958

Support Services:

	FY 1996 (\$000)	FY 1997 (\$000)	FY 1998 (\$000)	FY 1998/FY 1997 Change (\$000)
Other Related Expenses				
Training	1,007	969	997	28
Printing/Reproduction	661	677	694	17
Rent & Utilities	8,234	8,188	8,451	263
ADP Support & Maintenance	3,510	4,053	4,280	227
Telecommunications	2,976	3,404	3,519	115
A&E Contractor Support	0	0	0	0
Other	\$14,141	\$9,367	\$9,775	\$408
Total Obligational Authority	\$30,529	\$26,658	\$27,716	\$1,058
Use of Prior Year Balances	0	0	0	0
Total Budget Authority	\$30,529	\$26,658	\$27,716	\$1,058

	FY 1996 (\$000)	FY 1997 (\$000)	FY 1998 (\$000)	FY 1998/FY 1997 Change (\$000)
Support Services				
Technical Support Services				
Economic & Environmental Analysis	163	10	10	0
Sub-Total	163	10	10	0
Management Support Services				
Administrative	1,827	1,750	1,760	10
ADP Support	3,582	3,260	3,460	200
Sub-Total	5,409	5,010	5,220	210
Total Support Services	\$5,572	\$5,020	\$5,230	210